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FOR IMMEDIATE RELEASE

ESCROW AGENT SENTENCED TO 29 MONTHS IN JAIL

Olympia, WA – A former Montesano escrow agent, Catherine J. Pellegrini, was sentenced in Grays Harbor County Superior Court on Monday to 29 months in jail. She was charged with embezzling money from the trust account of Ocean Shores Escrow, Inc. Pellegrini was also ordered to pay \$327,515.80 in restitution, plus costs for witness and attorney's fees.

Following an investigation by the Department of Financial Institutions (DFI), the Financial Crimes Unit of the Attorney General's Office charged Catherine J. Pellegrini (formerly Catherine Cutler-Tyler) with eight counts of first-degree theft. The state's Mortgage Lending Fraud Prosecution fund helped authorities bring this case forward.

According to charging papers, Pellegrini purchased the Ocean Shores Escrow in November 1999 and later incorporated it. She also owned and operated an unlicensed escrow company, Cornerstone Escrow, Inc., located in Lacey, WA.

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After receiving consumer complaints, DFI opened an investigation into both escrow companies. The department determined Ms. Pellegrini used at least five schemes to steal funds from the Ocean Shores Escrow, Inc. trust account. Bank records showed that on numerous occasions Ms. Pellegrini withdrew funds via check, wire or express transfer, and deposited them into her personal accounts. Ms. Pellegrini also delayed or outright failed to pay various closing expenses, such as the Local Improvement District Assessment due to the County.

The receivership of Ocean Shores Escrow, Inc. is being handled by Brian L. Budsberg of Owens Davies of Olympia and remains ongoing.

About the Mortgage Lending Fraud Prosecution Fund

Legislation passed in 2003 created the Mortgage Lending Fraud Prosecution Fund. The fund aids prosecutors in bringing mortgage lending fraud cases forward. A \$1 fee is collected by county auditors for each recording of a deed of trust. Those fees are deposited into the fund which is held by the State Treasurer and managed by DFI. DFI worked with the Attorney General and the Washington Association of County Prosecutors to develop a process for the distribution of funds to local prosecutors.

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Interview Opportunities:

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